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## Who We Are

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It's hard to believe that the payments industry is just a little over 40 years old. Just think back to the days when consumers and merchants had only two choices — cash and checks. Visa has had a fundamental impact on the evolution of payments, how consumers choose to pay and how merchants choose to be paid.

Visa traces its history back to 1958 when Bank of America launched its blue, white and gold BankAmericard in California. In 1970, an association, National BankAmericard, Inc., was formed of those U.S. banks issuing BankAmericards. In 1974, Bank of America's international licensees chartered an international company, IBANCO, to administer BankAmericard, Inc. outside the U.S. In 1976, IBANCO became Visa International and National BankAmericard, Inc. became Visa U.S.A. Take a look back at our history.

**1958**

Bank of America based in San Francisco, California, issues BankAmericard. With the entire state of California as its market, the card is an early success, and it is the first "revolving-credit" card with universal merchant acceptance, allowing cardholders the option of paying their account balance in installments with a monthly finance charge applied to the remaining balance.

**1966**

Bank of America expands its bankcard program by forming the BankAmericard Service Corporation, licensing banks outside of California to issue cards to their customers. Because the cost of bankcard programs is shared among its Member financial institutions, even small banks across the country are able to join. The Interbank Card Association, which later becomes Master Charge, is formed.

**1969**

Most regional banks convert their independent programs to either BankAmericard or Master Charge.

**1970**

BankAmericard transfers control and ownership of the BankAmericard program to the banks that issue the cards, forming National BankAmericard Inc. (NBI). At this time, more than 1,400 banks offer either BankAmerica or Master Charge credit cards.

**1973**

NBI pioneers e-commerce and introduces the world's first global electronic card authorization system, BASE I, reducing the time consumers need to wait to have their transactions authorized from more than five minutes to less than one minute. And authorization is now available 24 hours a day.

**1974**

International Bankcard Company (IBANCO) is formed to administer the

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BankAmericard program internationally. The card encounters some resistance because its name is identified too closely with the U.S. and the Bank of America. The same year, "Base II" is introduced, the first electronic clearing and settlement system, making it possible for merchants to transmit authorized transactions electronically, greatly reducing paper work and significantly speeding up the transaction process.

**1975**

NBI introduces the first national deposit access card, enabling cardholders to debit charges from their deposit account rather than having the charge posted to a line of credit.

**1976**

BankAmericard changes its name to Visa, a simple, memorable name with an international flavor that is pronounced the same way in almost every language. NBI is renamed Visa U.S.A. and IBANCO is changed to Visa International.

**1979**

Visa introduces the first electronic dial terminal at the point of sale, which allows for much speedier purchase transactions. This leads the way to electronic data capture (EDC) point-of-sale terminals, which virtually eliminate the time-consuming process of paper deposits.

**1982**

Visa issues the first premium card — Visa Premier — to provide new kinds of services for upscale customers.

**1983**

Building on its anytime, anywhere promise, Visa launches the world's first global ATM network, providing 24-hour cash access to cardholders around the world and contributing to the convenience of modern business and leisure travel.

**1984**

The rapid growth of the payment card industry in the mid-80s leads to a rise in credit card fraud and counterfeiting. Visa establishes the Visa Risk Identification Service, the first computer-based system to pinpoint suspicious card transactions at merchant locations.

**1985-1988**

Visa sales volume doubles.

**1986**

Globally, Visa becomes the first payment card system to offer multiple-currency clearing and settlement, providing financial institutions with faster methods of restitution and greatly increasing the efficiency of international transactions. Today's Visa network is capable of processing payment transactions in 160 different currencies.

**1987**

Visa establishes the first computerized card transaction processing network in China.

**1988**

Visa Member issues the first bankcard in Russia.

**1993**

Visa is the first to apply state-of-the-art neural network technologies to payments, thus greatly reducing the incidence of card fraud by giving Visa Member banks smarter and timelier data about suspicious transactions. By analyzing typical card usage patterns, the neural

network-based risk management tool invented by Visa immediately notifies banks so they can inform their customers if a card appears to have been used by someone other than the legitimate cardholder. Visa offers the first international pre-paid card, Visa Travel Money. This allows travelers to put a set amount of money on their card in one currency and access that account while traveling in other countries, enhancing the safety and convenience of international travel and currency exchanges. Visa issues the first smart card that allows cardholders to accumulate merchant loyalty points by making purchases on their payment cards. Visa becomes the first to offer a suite of corporate, business and purchasing cards to accommodate the needs of business of all sizes.

**1995**

Visa co-develops industry-wide chip card specifications, Europay/Visa/MasterCard (EVM), to ensure that all chip cards will operate with all chip-reading terminals, regardless of location, financial institution, or manufacturer. As a result, smart credit cards and debit cards are now standardized to the point where cardholders can confidently use their chip cards to access their accounts from any EMV terminal worldwide.

**1997**

The first SET 1.0 (Secure Electronic Transaction) purchase using a smart card is completed. This technology, co-developed by Visa, provides a high level of privacy, security, and authentication for payment card transactions made over the Internet. Visa announces the prototype for the first contactless commuter-cash smart card. Contactless terminals do not need a card to be physically inserted into the terminal and offer greater convenience and flexibility to cardholders.

**1998**

Visa, together with Standard Chartered Bank, introduces the world's first multi-application smart card based on open standards-based technology. As a result, it becomes more cost-effective for banks to offer multi-application cards that enable consumers to access multiple financial accounts and other types of services - all on a single card. For example, debit accounts, lines of credit, prepaid accounts as well as secure Internet shopping or merchant loyalty programs can now all be stored on one card.

**1999**

Globally, Visa becomes the first to process 25 billion consumer payment transactions per year. Visa is the first payment association to promote a global infrastructure for smart cards across multiple industries as a founding member of GlobalPlatform, Inc. Visa conducts the world's first euro transaction using a payment card in the European Union. Visa joins the Wireless Application Protocol (WAP) Forum to develop standards for wireless delivery. Visa completes the first download of electronic cash via mobile phone that are powered by the GSM (Global Systems and Mobile Phone) network in Leeds, UK. Visa announces a pilot program with Nokia and MeritaNordbanken of Finland enabling cardless payments via mobile phones at both physical merchants and on the Internet. Visa, together with Citibank and the General Services Administration, introduces the world's most sophisticated, multi-application smart card. It is the first smart card to combine credit, employee identification, access control and biometric verification.

**2000**

Visa reaches a key milestone with one billion cards in use. Visa announces an enhanced Consumer Zero Liability Policy, which was originally launched in 1997. The new rule virtually eliminates consumer liability in cases of Visa card fraud over the Visa system, including Internet transactions. Under the previous policy, cardholders could be

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held liable for up to \$50 if their credit or debit cards were fraudulently used on the Visa system, and they failed to report theft or unauthorized use within two business days. The new policy does not cover commercial card transactions. On April 3, 2000 Visa International moved its systems and processing services division into a wholly owned subsidiary company, named Inovant ([www.inovant.com](http://www.inovant.com)). Inovant provides global transaction processing for Visa. smart Visa, a multi-function chip product, is launched in the United States. Visa Buxx is launched to open an underserved market of teenaged consumers and offer parents a tool to teach their teens about responsible money management. Visa U.S.A. announces Direct Exchange, which paves the way for a new generation of payment capabilities. Holiday spending volume on Visa credit and check cards between November 24 and December 29, 2000, reaches \$101 billion. Online spending more than doubles over the past year. Visa U.S.A. launches it's national consumer education program, Practical Money Skills for Life which is aimed at helping high school students learn better money management skills.

#### 2001

Visa completes the world's first secure payment transaction using a Palm™ handheld computer. Palm and Visa have worked with terminal manufacturers Ingenico and VeriFone to enable the secure transfer of payment information from a Palm handheld to a VeriFone or Ingenico point of sale payment terminal using infrared technology. smart Visa Business cards, chip-enabled payment products tailored to the small business market, are launched in the United States.



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